



CITY OF ATLANTA

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Mr. John Sherman
President
Fulton County Taxpayers Association
309 E. Paces Ferry Road, NE
Atlanta, GA 30305

Dear Mr. Sherman:

Thank you for the advance copy of your March 2007 newsletter. As you know, we are eager consumers of fact-based analysis and always look forward to reports published by interested third parties on the topic of local governance. Although we haven't had a chance to fully digest your newsletter, I would like to share some initial observations with you.

First, I would like to challenge some of your basic statistics. The City of Atlanta population for 2005 is 483,108 according to the latest adjusted figures of the U.S. Census Bureau, instead of the 470,688 that you cite. This is an important distinction since you used an "employee per capita" formula. While we concur with the usefulness of that metric, it is equally important that the numbers are as accurate as possible.

On a related issue, you use 1.2% annual growth to project the City's growth through 2010. According to the U.S Census Bureau, the City's actual growth rate between 2000 and 2005 was 3.2%. While reasonable people can disagree concerning how to project future growth, we believe that the 3.2% growth that the city experienced in those years is a reasonable proxy for growth going forward; our experiences with regard to new housing units permitted in the last two years support that assumption (in fact, our growth rate may be accelerating rather than declining).

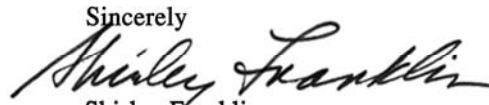
I know you share our faith in the work that Bain & Company did at the outset of my administration. The extremely painstaking analytical process identified a group of comparable peer cities. They then did the hard work to normalize employee data to ensure an "apples to apples" comparison. While you referenced the Bain study, you chose a different set of cities with attributes that make them a poor basis of comparison. I would encourage you to return to the Bain study to review the analytical rationale behind their methodology and selection of comparable cities.

We have made significant progress in streamlining city government and making our services more efficient and effective. These efforts are reflected in the relative size of our employee population:

- Between 2000 and 2007 the city population has grown by 24.2% (assuming that the growth rate carried by the U.S. Census Bureau for 2000-2005 continued through 2007), while our general fund employment over that period increased by 8.7% the total City employment (General Fund plus Enterprise Fund) increased 9.7%.
- Since 2002 the City has added a net 1,630 positions. The largest contributors are four departments (Watershed Management – 961, Aviation – 202, Police – 161, Fire – 121). Those four added 1,465 positions and are consistent with our commitment to strengthen our aviation and water/sewer infrastructure and bolster public safety.
- Three departments still have staffing below their 2002 levels, including Judicial Agencies which has 209 fewer employees than they had in 2002 (a 43% reduction).
- When Bain & Company did their benchmarking study, the city had 1,346 general fund employees per 100,000 population. In 2007 we have 1,178 per 100,000. That is more than a 12% reduction in employees per capita.

I know that encouraging privatization in public service delivery is an important goal of your organization. I share your interest in seeking the most efficient and effective mechanisms for providing services, and I am proud of the progress we have made. It might interest you to know that we hired CH2M Hill to provide us with an opinion on whether we should outsource our sanitation services. Based on their cost of service analysis, they advised against it.

Again, I appreciate your willingness to share an advance copy of your newsletter.

Sincerely

Shirley Franklin